(Letterhead if Available)

Advice Letter No. 123 Regulated Water Company (U 456 W) December 31, 1999

Public Utilities Commission of the State of California

Regulated Water Company requests ministerial (or) discretionary (if the										
NCRWS is not contiguous to existing service territory) review and										
approval of the changes to the	e following tariff sch	edules applicable to								
its (District)	<u>·</u>									
Cal P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.								
The effective date of the tariff schedules is requested to be										
·										
Notice has been provided as re	equired by GO 96. The	Service List is								
attached to this Advice Letter	(or) This Advice Let	ter was served on								
the same parties as Advice Let	ter (or Decision) #	, dated								
·										

The purpose of this advice letter is to include in Regulated's service territory the water system that Regulated recently purchased from the city of Municipal. A copy of the executed purchase agreement is attached.

Regulated proposes to serve the new customers at the same rates as were approved for its Gamma District. (or) Regulated proposes to serve these new customers at their existing rates (or) Regulated proposes to serve these new customers at the proposed rates included in this advice letter, which are lower than their former rates and the rates presently charged by Regulated in its district contiguous to Municipal. The justification for charging these rates is (provide complete justification for the rates proposed. A Summary of Earnings is

required.)	Regulated's	s expected	return	at the	proposed	rates	from	this
acquisition	is%.	Regulated	's last	authori	ized rate	of re	turn v	was
% as a	uthorized by	y Decision		, dat	ted			

A detailed description of the water system, including a list of facilities including wells, storage and structures, and a distribution system map showing pipe sizes, fire flow and pressure areas is attached (Exhibit A), as is an accounting of the original cost (or estimated original cost) of all plant and depreciation reserve (Exhibit B).

Exhibit C is a list of planned water system improvements, including estimated costs and the rate impact on the acquired and existing customers for the next ___ years.

Exhibit D contains an estimated Summary of Earnings before and after the acquisition with and without the estimated costs of improvements and a description of the basis for the expenses used.

Exhibit E is a status of the franchises and health and safety permits obtained or required to operate the system, including the status of the Technical, Managerial and Financial Capacity certification required from the Department of Health Services.

This letter was served on all utilities, corporations, persons or other entities, either public or private, with which the acquired system is likely to compete, and all cities and counties within which service will be rendered.

This filing will not interfere with the operation of Regulated's other public utility operations or the water system of a public agency.

The actions requested in this advice letter are not now the subject of any formal filings with the California Public Utilities Commission, including a formal complaint, nor action in any court of law.

Protests and Responses

A protest is a document objecting to the granting in whole or in part of the authority sought in this advice letter. A response is a document that does not object to the authority sought, but nevertheless presents information that the party tendering the response believes would be useful to the Commission in acting on the request.

A protest must be mailed within 20 days of the date the California Public Utilities Commission approves this advice letter for filing. It must state the facts constituting the grounds for the protest, the effect that approval of the advice letter might have on the protestant, and the reasons the protestant believes the advice letter, or a part of it, is not justified. If the protest requests an evidentiary hearing, the protest must state the facts the protestant would present at an evidentiary hearing to support its request for whole or partial denial of the application.

All protests or responses to this filing should be sent to:

days, contact this person at ___